

Message Text

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ACTION EB-07

INFO OCT-01 EA-09 ISO-00 INT-05 AID-05 CIAE-00 COME-00

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 GSA-02 /072 W

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R 200535Z MAY 76

FM AMEMBASSY PORT MORESBY

TO SECSTATE WASHDC 1455

UNCLAS PORT MORESBY 0480

E.O. 11652: NA

TAGS: ECRP, EMIN, PP

SUBJ: JENNEL, WAGINA BAUXITE MINING DELAYED AGAIN (CERP RWOQ)

1. BAUXITE MINING ON RENNELL AND WAGINA ISLANDS HAS BEEN SET BACK AGAIN. OFFICIALS OF THE MITSUI MINING AND SMELTING COMPANY AND PACIFIC ALUMINIUM LTD. TOLD THE SOLOMON ISLANDS GOVERNMENT THAT IT IS NOT POSSIBLE FOR THEM TO MAKE ENOUGH MONEY AT PRESENT FOR THE TWO US25 MILLION PROJECTS TO GO FORWARD. THIS IS LARGELY DUE TO LOW WORLD PRICES, BUT ALSO BECAUSE BAUXITE ON RENNELL ISLAND CONTAINS CERTAIN MATERIALS REQUIRING SPECIAL REFINING TECHNIQUES. TESTS ARE CONTINUING IN AN ATTEMPT TO FIND NEW WAYS TO DEAL WITH THE IMPURITIES AND THE GOVERNMENT HAS NOW AGREED TO EXTEND THE TWO LICENCES COVERING THE RENNELL AND WAGINA PROSPECTS FOR ANOTHER TWELVE MONTHS. THIS SHOULD ALLOW THE COMPANIES TIME TO COMPLETE THEIR TESTS AND STUDY THE RESULTS. RESULTS ARE DUE BY THE END OF MARCH 1977.

2. COMMENT: THIS SETBACK WAS NOT UNEXPECTED, BUT PLANNERS IN HONIARA ARE COUNTING ON REVENUE FROM THE BAUXITE TO FUND DEVELOPMENT AND IF THE TWO PROJECTS ARE NOT ECONOMICALLY VIABLE IT WILL BE A SERIOUS BLOW TO THE SOLOMON ISLANDERS AS WELL AS THE BRITISH GOVERNMENT'S HOPES OF LEAVING THE ISLAND NATION WITH A SOURCE OF REVENUE OTHER THAN THE TRADITIONAL ONE FROM COPRA AND COPRA BY-PRODUCTS.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MINING INDUSTRY, INVESTMENTS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 20 MAY 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
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From: PORT MORESBY
Handling Restrictions: n/a
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Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
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Review Content Flags:
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Margaret P. Grafeld
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To: STATE
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